

**NATURAL GAS INFRASTRUCTURE AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael E. Noel**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill enacts provisions relating to natural gas infrastructure.

**Highlighted Provisions:**

This bill:

▶ authorizes a gas corporation to file an application with the Public Service

Commission for the preapproval of the gas corporation's rural natural gas infrastructure development costs; and

▶ requires the commission to include within the gas corporation's general rates the

amount of rural natural gas infrastructure development costs approved pursuant to

an application, subject to a maximum amount.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**54-4-13.6**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **54-4-13.6** is enacted to read:



28           54-4-13.6. Rural gas infrastructure development costs -- Preapproval process --  
29 **Included in gas corporation's base rates.**

30           (1) As used in this section, "rural gas infrastructure development" means the planning,  
31 development, and construction of an extension or expansion of natural gas main lines or  
32 service lines to serve previously unserved rural areas of the state.

33           (2) The commission may find that a gas corporation's spreading rural gas infrastructure  
34 development costs to the larger customer base is in the public interest.

35           (3) (a) A gas corporation may file an application with the commission for preapproval  
36 of the gas corporation's recovery of rural gas infrastructure development costs.

37           (b) An application under Subsection (3)(a) shall contain:

38           (i) a description of the proposed rural gas infrastructure development project;

39           (ii) an explanation of the benefits from the proposed rural gas infrastructure  
40 development project; and

41           (iii) the estimated rural gas infrastructure development costs.

42           (4) Within 180 days after an application under Subsection (3)(a) is filed with the  
43 commission, the commission shall enter a final order approving or denying the application.

44           (5) (a) Subject to Subsection (5)(b), the commission shall, as part of the gas  
45 corporation's next general rate case following the approval of an application under Subsection  
46 (4), include all rural gas infrastructure development costs approved under Subsection (4) within  
47 the gas corporation's base rates.

48           (b) The commission may not include rural gas infrastructure development costs within  
49 the gas corporation's base rates to the extent that the rates generate revenue that exceeds 1% of  
50 the gas corporation's annual revenue.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**